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DEPARTMENT OF COMMERCE.

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Mr. NELSON, from the Committee on Commerce, submitted the following

REPORT.

[To accompany S. 569.]

The Committee on Commerce, to whom was referred the bill (S. 569) to establish the Department of Commerce, have had the same under consideration and beg leave to report as follows:

To fully understand and comprehend the necessity for the establishment of the Department of Commerce, it is desirable and instructive to give a brief history of the inception, growth, and jurisdiction of the several Executive Departments of the Government.

STATE DEPARTMENT.

The first Department established was known as the Department of Foreign Affairs, and was created by the act of July 27, 1789 (1 U. S. Stat., 28). By the act of September 15, 1789 (1 U. S. Stat., 68), the name was changed to that of Department of State. This Department was originally vested, under the direction of the President, with jurisdiction over foreign, diplomatic, and consular affairs, and was, in 1793, given jurisdiction over the matter of patents for useful inventions, which it retained until 1849, when the same was transferred to the Interior Department. It was also given supervisory and appellate jurisdiction over the acts of marshals and others in taking and returning the census of the United States, which it retained until 1849, when the same was transferred to the Interior Department.

WAR DEPARTMENT.

The next Department established was the War Department, created by the act of August 7, 1789 (1 U. S. Stat., 49), and was originally vested with jurisdiction, under the direction of the President, over both military and naval affairs, over land grants for military services, and over Indian affairs. Its jurisdiction over naval affairs it retained

until April 30, 1798, when the Navy Department was created; its jurisdiction over land grants was transferred to the Treasury Department in 1789 and 1796, and its jurisdiction over Indian affairs was transferred to the Interior Department in 1849. In 1833 the Department was given jurisdiction over the matter of military pensions, which it retained until 1849, when the Interior Department was established. During a part of this time the War Department and Navy Department, jointly, exercised jurisdiction over military and naval pensions, and it still retains the so-called Record and Pension Office.

TREASURY DEPARTMENT.

The next department established was the Treasury Department, created by the act of September 2, 1789 (1 U. S. Stat., 65). It was originally vested with jurisdiction over the financial and fiscal affairs of the Government, with the collection and expenditure of the public revenue, and was also vested with jurisdiction over the sale of public lands, which it retained until the Interior Department was created in 1849.

NAVY DEPARTMENT.

The next department established was the Navy Department, created by the act of April 30, 1798 (1 U. S. Stat., 553), and vested with jurisdiction over naval affairs. This Department had also for a time jurisdiction over the matter of naval pensions, until the same was transferred to the Interior Department in 1849.

INTERIOR DEPARTMENT.

The Interior Department was established by the act of March 3, 1849 (9 U. S. Stat., 396). It was originally given jurisdiction over patents for inventions, over the land-office business of the Government, over Indian affairs, over pensions, over the census, over the accounts of the officers of United States courts, and over public buildings. Its jurisdiction over public buildings was abolished in 1867, and its jurisdiction over the accounts of judicial officers was transferred to the Attorney-General in 1870.

POST-OFFICE DEPARTMENT.

In 1789 (1 U. S. Stat., 70), a post-office, with a Postmaster-General, was established and given jurisdiction over the postal affairs of the Government. By the acts of February 20, 1792 (1 U. S. Stat., 234), and May 8, 1794 (1 U. S. Stat., 357), a General Post-Office was established, with a Postmaster-General at the head; and finally, on June 8, 1872 (17 U. S. Stat., 283), the Post-Office Department was established as one of the Executive Departments, with jurisdiction over all the postal affairs of the Government.

THE DEPARTMENT OF JUSTICE.

On September 24, 1789 (1 U. S. Stat., 93), the office of Attorney-General was created, whose duty it was to conduct all suits on behalf of the Government in the Supreme Court of the United States, and to

give advice and opinion upon questions of law when required by the President or the heads of any of the Departments. By the act of June 22, 1870 (16 U. S. Stat., 162), the Department of Justice was created, with the Attorney-General at its head.

DEPARTMENT OF AGRICULTURE.

By the act of May 15, 1862 (12 U. S. Stat., 387), the Department of Agriculture was created, with a Commissioner of Agriculture at the head. This was afterwards changed into an executive department, with a Secretary of Agriculture at the head, by the act of February 9, 1889 (25 U. S. Stat., 659). This Department has jurisdiction of an advisory character over the agricultural affairs of the country.

From this brief summary it will appear that the Government first started out with only three Executive Departments—namely, the State, War, and Treasury—and in connection with these departments, for administrative purposes, there was a Postmaster-General and Attorney-General, neither of whom, however, were heads of Executive Departments. The executive business of the Government was conducted under these five heads until in 1798, when the Navy Department was established, which withdrew the naval affairs from the War Department. In 1849 the Interior Department was formed by absorbing the patent business from the State Department, the land-office business from the Treasury Department, Indian affairs from the War Department, pensions from the War and Navy Departments, and census from the State Department.

It will be observed from the foregoing statement that the Government, in 1789, really distributed its public business among five distinct branches of the Government—practically five departments—the State, War, Treasury, Post-Office, and Department of Justice. It is true that in the last two cases—that of the Post-Office Department and the Department of Justice—they did not become full-fledged departments until a much later day, but the direction and control of the postal business was assigned to the Postmaster-General and of the judicial business to the Attorney-General as separate and distinct branches of the public service at that early day. As a matter of fact, then, there has really been only an addition of three departments—that of the Navy, Interior, and Agriculture—within a period of one hundred and twelve years. It will be observed that the Interior Department naturally and inevitably arose from an extraordinary accumulation of public business in the other departments of the Government. The two great departments of the public service (if we take into account the different classes of public business involved and the number of employees) are the Treasury and Interior departments. The business of these departments has expanded to a large and varied extent. If we look at the number of employees in the respective departments here at Washington, we find the condition to be as follows:

There are in the Department of Justice 141, Navy Department 324, State Department 95, Post-Office Department 697, Agricultural Department 804, War Department 1,787, Interior Department 4,440, and Treasury Department 4,881 employees. From these figures it appears that both the Interior and Treasury departments have each a greater number of employees than all the other departments of the Government combined.

If we look at the duties assigned to each of these several departments, we find that, outside of the Treasury and Interior departments, the other departments are mainly charged with a single class of public business—the State Department with foreign affairs, Department of Justice with judicial affairs, Navy Department with naval affairs, Post-Office Department with the postal business of the country, War Department with military affairs and the improvement of rivers and harbors, and the Agricultural Department with agricultural matters. But when we come to the Treasury and the Interior departments we find each of these departments vested with a large number of separate and distinct public duties disconnected with each other.

Take, for instance, the Interior Department: It has to-day charge of the General Land Office, Indian Office, Pension Office, Patent Office, Bureau of Education, Census Office, Commissioner of Railroads, Architect of the Capitol, Geological Survey, Government Hospital for the Insane, and the Columbia Institute for the Instruction of the Deaf and Dumb.

The Treasury Department stands charged with a still greater variety of diversified duties and subjects. It has charge of all the fiscal and monetary affairs of the Government, including the issuance and maintenance of a safe and sound currency, the collection and disbursement of the revenues of the Government, the auditing and paying of all public accounts and claims in the several departments of the Government, the public debt, and the coinage. All this business is mainly distributed in the following divisions, offices, and bureaus, to wit:

Treasurer of the United States, Director of the Mint, Comptroller of the Currency, Bureau of Engraving and Printing, Division of Public Moneys, Division of Loans and Currency, Secret Service Division, Comptroller of the Treasury, Register of the Treasury, Auditor for the Treasury Department, Auditor for the War Department, Auditor for the Interior Department, Auditor for the Navy Department, Auditor for the State and other Departments, Auditor for the Post-Office Department, national-bank redemption agencies, Commissioner of Internal Revenue, commissioner of customs, and the Revenue-Cutter Service.

In addition to these offices, divisions, and bureaus, which all pertain to the financial and fiscal affairs of the Government, this Department has charge of the following bureaus, offices, and divisions of the public service:

The Supervising Architect, Bureau of Statistics, Life-Saving Service, Commissioner of Navigation, Office of Steamboat Inspection, Light-House Board and Light-House Service, Coast and Geodetic Survey, Marine-Hospital Service, and Bureau of Immigration.

It is apparent that none of these branches of the public service have any immediate or direct connection with, or are germane to, the principal and most important duties of the Treasury Department. This Department stands charged, chiefly and first of all, with the financial and fiscal affairs of the Government, with all that pertains to finance and revenue, and ought not to be charged with duties foreign to these subjects. These other branches of the public service, which lie outside of the subject of finance and revenue, pertain more directly to the subject of commerce, manufactures, and other industries.

It is also to be noted in this connection that in none of the departments of the Government have we any bureau or division of the public

service to which is committed the promotion of the manufacturing and mining industries of the country—two very important branches of our industrial life. In view of our great progress and development in mining and manufacturing industries, which now far exceed the ability to supply our own wants, and in view of the urgent necessity of securing more extensive markets abroad, it must be apparent to anyone who gives the subject the least thought that there is an urgent demand for the establishment of a department of the public service to have the charge of and to aid in our industrial development, and to secure us better and more extensive markets abroad.

This fact is now, and has for many years been, recognized by all the principal commercial bodies throughout the country, and there seems to be an urgent demand throughout the industrial world for such a department. Most of the other great governments of the world have a department of this kind. England has her board of trade; France, her minister of commerce and industry; the Netherlands, a minister of public works and commerce; Austria-Hungary, a minister of commerce and national industries; Italy, a minister of commerce, industry, and agriculture; Spain, a minister of commerce, agriculture, and public works; Portugal, a minister of public works and industry, and Russia has just established a ministry of commerce and industry instead of having it, as heretofore, a branch of the finance ministry. In all of these Governments the fact is recognized that a department of this kind is essential and necessary for the care, promotion, and development of commerce and manufactures. The United States, in order to be on a footing of equality and in order to be fully equipped to enter the competitive field with the strongest nations, ought to take a lesson from and be guided by these examples.

In order to make such a department useful and effective, and in order to fully equip it with all the necessary appliances to execute its great task and purpose, it ought to be vested with all branches and departments of the public service relating and germane to the subject of commerce, manufactures, and other industries.

The bill now under consideration is framed to carry out this purpose and idea. It establishes in the proposed department a new bureau, to be known as the Bureau of Manufactures; to have charge of the manufacturing interests of the United States; to gather, compile, and publish information in respect to the same, and information in respect to securing markets for our products abroad, and to assist in developing the manufacturing industries of the United States and the markets for the same. It transfers to this new department from the Treasury Department the Life-Saving Service, the Light-House Service, the Marine-Hospital Service, the Steamboat-Inspection Service, the Bureau of Navigation, and the United States Shipping Commissioners, the Bureau of Immigration, the Bureau of Statistics, and the United States Coast and Geodetic Survey; and from the Interior Department the Commissioner of Railroads, the Patent Office, the Census Office, and the Geological Survey; and from the State Department the Bureau of Foreign Commerce, and consolidates that with the Bureau of Statistics, transferred from the Treasury Department.

It transfers the Geological Survey from the Interior Department to this new department, and makes the Director of the Geological Survey the chief of a bureau of geological survey and mining, and it also transfers the Department of Labor and the Office of Commissioner of

Fish and Fisheries, neither of which belong to any of the great Executive Departments, to the new department. It will readily be perceived from a mere inspection that the bureaus, departments, and branches of the public service thus transferred to the new department are all intimately connected with and directly pertain to the subject of commerce, manufactures, mining, and other industrial enterprises.

The salaries of the officers and employees of the several bureaus, departments, and branches of the public service thus transferred to the new department remain unchanged. The bill increases the salary roll only to the extent of \$8,000 for the Secretary, \$4,000 for the Assistant Secretary, and \$3,000 for the Chief of the Bureau of Manufactures. In all, \$15,000.

In addition to this it will be necessary to make appropriation for a limited clerical force in the Bureau of Manufactures, and perhaps a few additional clerks in the Bureau of Geological Survey and Mining, and a few clerks in the Secretary's office. The aggregate increase for salaries is not likely to exceed the sum of from \$40,000 to \$50,000 a year. The expenses involved in establishing this new department will be insignificant in comparison with the great work to be done and the great results that can be obtained.

Your committee are firmly convinced that there is an urgent demand and an urgent necessity for the establishment of this new department, and accordingly recommend the passage of said bill, with some amendments.

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